

**PREPARATION OF FORM SW-1161 AND  
PRELIMINARY LETTER OF NOTIFICATION**

**LETTER OF NOTIFICATION**

As soon as an employee becomes aware of a new service offering, a Letter of Notification must immediately be sent to the Cost Allocation Manual Contact listed in Attachment 3 for formal classification of the service as regulated nontariff, incidental or nonregulated. Exhibit B provides an example of the Letter of Notification. Please attach a detailed description of the Activity (or a copy of the request for assessment required by Section 5 of this Operating Practice). Copies of the Letter of Notification must also be sent as identified in Exhibit B.

**FORM SW-1161 – CONTRACT CLASSIFICATION FORM**

Form SW-1161 must be prepared for all contracts with Affiliates (both purchases and sales). Form SW-1161 must also be prepared for each new product or service provided by SWBT to nonaffiliates. (The Affiliate Services group employs alternate methods.)

The section of Form SW-1161 containing items A through L must be completed by the designated Contract Administrator for each contract. This is usually the Product Manager, a Contract Manager or the Service Provider for the Activity.

The section of the Form SW-1161 containing items M through Q will be completed by the Contract Coordinator.

**CONTRACT ADMINISTRATOR**

**Initial Contract Classification Data**

- A. Enter the title exactly as it appears on the contract.
- B. Enter a brief description of the service, product or other Activity being provided. If the activity is an Affiliate Transaction, also state whether the Affiliate Transaction is associated with an Activity that SWBT has classified as Nonregulated.
- C. Enter the beginning date (From) and the ending date (To) of the contract. If the activity occurs only once, enter the completion date in both the From and To spaces. If the contract is open-ended, enter the beginning date in the From space and 'OPEN' in the To space.
- D. Enter the date that billing should begin for the contract, if the Activity is new.

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- E. Enter a check mark for the costing method used. For Regulated and Incidental Activities, this is normally the Incremental Unit Costing method. For Nonregulated Activities and Regulated Affiliate Transactions the Federal Communications Commission (FCC) requires the methods outlined in SWBT's Cost Allocation Manual (CAM). Please provide the name of the person who provided cost study or cost method advice and the date when that advice was requested. For Nonregulated Activities, this could be the date the Letter of Notification was sent.
- F. Enter the name of the entity that SWBT has contracted with to provide the Activities. Also provide the name of the company receiving the Activities if different from the contracting company, and indicate an (R) after the company receiving services and a (C) after the contracting company. All names should be written exactly as they appear on the contract. If no written contract exists, use the name of the entity being billed and indicate a (B) after the name.

Enter additional names in the spaces provided on the reverse side of Form SW-1161 if more than one company is covered under this contract. For those contracts covering all customers or end users, indicate 'All Customers' or 'End Users' in this space.

- G. Enter the estimated financial impact on SWBT in terms of the total projected operating revenues if this is a purchasing contract, the operating expenses this activity will generate in the current year.
- H. Enter a check mark to indicate that this contract should be classified as a Regulated, Incidental or Nonregulated Activity. This affects both accounting and cost allocation treatment. Your decision should be based on the following criteria:
- All Activities considered to be common carrier communications for purposes of Title II of the Communications Act of 1934, as amended, will be classified as Regulated.
  - Most Activities that are not considered to be common carrier communications for purposes of Title II of the Communications Act of 1934, as amended, will be classified as Nonregulated Activities.
  - Any common carrier offerings subject to forbearance, streamlined or other decreased regulation in the future will be classified as Regulated activities.

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- Activities regulated in the interstate jurisdiction that may be Detariffed or Deregulated in the states will be classified as Regulated for accounting purposes.
  - Activities Deregulated only in the interstate jurisdiction that are not preemptively Deregulated will be classified as Regulated until such time as the FCC specifically decides otherwise.
  - Non-incidental Activities that have never been Tariffed or otherwise regulated by the FCC or any state commission must be classified as Nonregulated.
  - Activities that have been preemptively Deregulated by the FCC must be classified as Nonregulated.
  - Nontariffed Activities considered to be incidental to Tariffed services will be classified as Incidental provided they are:
    - Outgrowths of regulated operations; and
    - Non-line-of-business activities; and
    - Traditionally treated as incidental; and
    - The revenues from Incidental activities, in the aggregate, fall within one percent of the total company annual regulated operating revenues.
- I. Enter the rationale to support the classification decision in item H. Use the terminology provided in the criteria list in item H. Also, provide a copy of any other documentation, such as legal decisions, that impact the classification.
- J. The person preparing the form should enter his or her name, title, department, address and telephone number.
- K. If you are the Contract Administrator, place a check next to Contract Administrator. If you have the primary responsibility for providing the services, place a check next to Service Provider. If you are the Product Manager for this contract, place a check next to Product Manager. If you are none of the above, state your role in the contract process next to Other.
- L. The person preparing the form should sign and date the form in the spaces provided.

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Distribution of the Completed SW-1161 Form

The Contract Administrator should retain a copy of the SW-1161 for the files and send the original SW-1161 form, and a copy of the contract to the Contract Coordinator listed in Attachment 2.

Concurrence Review-Contract Coordinator

All initial contract classification data should be reviewed for reasonableness, accuracy, proper costing methodology and compliance with recent FCC decisions. If clarification is needed, the Contract Coordinator will contact the Contract Administrator to request additional information.

- M. Enter a check mark next to Agree if the classification is appropriate. If the classification is inappropriate, check Disagree, write 'See Reverse' and on the reverse side of Form SW-1161, enter the reasons for nonconcurrence. A copy of the form should then be sent to the person in item J for further investigation.
- N. Enter the Contract Coordinator's name, title, department, address and telephone number.
- O. Enter the check mark next to the contract category that further classifies the type of contract:
- BELLCORE - Contracts with Bell Communications Research.
  - Affiliate - Services provided to or received from SBC and its affiliates.
  - Tariffed - Services such as Special Service Arrangement Requests (SSAR), Customer Specific Proposals (CSP), and Individual Case Basis (ICB) agreements that will eventually be filed with the FCC under special tariff. (Normally, these tariffed agreements do not require the preparation of the SW-1161. However, if contracts are entered into on a trial basis prior to the decision to establish the service under tariff, a classification form must be completed.)
  - Detariffed - Services that were once provided under tariff and are no longer tariffed by either the FCC and/or state regulatory bodies.
  - Miscellaneous - All contracts that are not described in a previous category.

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- Other - This space may be used to provide additional classification information that may be helpful for future use in administering contracts or to establish a new contract category.
- P. The contract identifier will be assigned by the Contract Coordinator at a later date if needed for administrative purposes.
- Q. After the SW-1161 has been concurred in, the Contract Coordinator must sign and date the form and forward the form with a copy of the contract to the Legal Department.
- R. All contracts for provision of services, products or other Activities that are not fully Tariffed should be reviewed by the Legal Department.

**Distribution of the Concurred-In SW-1161 Form**

When Form SW-1161 has been reviewed and signed by the Legal Department, the Contract Coordinator should retain a copy for filing and the original should be returned to the originator (item J). The copy of the contract that was attached to the original Form SW-1161 will be maintained in file by the Contract Coordinator.

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**CONTRACT COORDINATOR**

For Nontariffed contracts, the general coordination with all departments is in the organization of the District Manager-State Regulatory Issues.

*Brad Young*

Area Manager-Affiliate Transactions  
314-235-4887  
38-S-05  
One Bell Center  
St. Louis, MO 63101

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OTHER DEPARTMENTAL CONTACTS

Marketing Assessment Address:	Regional Manager- <i>Technical and</i> Product Development One Bell Center, 13-Y-02 St. Louis, Missouri 63101 (314) 235-1830
Cost Studies Request Address:	Area Manager-Cost Analysis One Bell Center, 37-W-08 St. Louis, Missouri 63101 (314) 235-0287
Cost Studies Contact:	Manager-Cost Analysis One Bell Center, 37-X-01 St. Louis, Missouri 63101 (314) 235-0281
Cost Allocation Manual Contact:	Area Manager-Nonregulated Accounting One Bell Center, 33-D-07 St. Louis, Missouri 63101 (314) 235-4943
Accounting Classifications Contact:	Area Manager-Accounting Classifications One Bell Center, 27-E-08 St. Louis, Missouri 63101 (314) 235-4791
Affiliate Services Contact:	Area Manager-Affiliate Services One Bell Center, 38-T-08 St. Louis, Missouri 63101 (314) 235-9559
Affiliate Transactions Rules Contact:	Area Manager-Affiliate Transactions One Bell Center, 38-S-05 St. Louis, Missouri 63101 (314) 235-4887
Separations Contact:	Area Manager-Separations One Bell Center, 31-H-7 St. Louis, Missouri 63101 (314) 235-7988
In-Place Plant Purchases and Sales Contact:	Area Manager-Valuation One Bell Center, 33-U-07 St. Louis, Missouri 63101 (314) 235-8062

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**Procurement Contact:**

***Manager-Regulatory Matters  
One Bell Center, 36-W-7  
St. Louis, Missouri 63101  
(314) 923-3340***

**272 Oversight Team:**

***All requests from a 272 affiliate for SWBT products or services should be directed to the existing customer contact point appropriate for the service being ordered (BSC, CPAT, Regional Marketing, etc.)***

***All other proposed affiliate transactions involving a 272 affiliate should be submitted by the close of business each Wednesday, in writing, to Mary Marks – Senior Attorney, in care of Corine Duft ([cd4537@monmail.sbc.com](mailto:cd4537@monmail.sbc.com)) prior to provision or receipt of any service. Requests should contain a clear, concise statement of the facts, together with any supporting documentation which serves to better illuminate the request.***

**Merger Contact:**

***Area Manager-Bellicore and Technical Services  
One Bell Center, 38-U-2  
St. Louis Missouri 63101  
314-331-3571***

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**INCIDENTAL ACTIVITIES LISTED IN THE  
COST ALLOCATION MANUAL AND CONTACT INFORMATION**

<b><u>Description</u></b>	<b><u>Contract Administrator</u></b>
1. Listing service of telephone numbers and addresses supplied by mail.	Ms. Coral Smith Manager-Product Management One Bell Center, 8-W-02 St. Louis, MO 63101 (314) 235-9492
2. Specialized search list service.	Ms. Mary Long Manager-Product Management One Bell Center, 12-F-6 St. Louis, MO 63101 (314) 235-1711
3. Subscriber listing service for telephone directory publishers.	Ms. Denise Ortmann Manager-Directory 1010 Pine, 7-E-98 St. Louis, MO 63101 (314) 331-2550
4. Bill insert services.	Mr. James Yancey Area Manager-Contract Management One Bell Center, 7-E-7 St. Louis, MO 63101 (314) 235-9581
5. Coordination services.	Mr. Bill Carney Director-Market Management One Bell Center, 11-F-7 St. Louis, MO 63101 (314) 235-9365
6. Leasing of surplus space on Southwestern Bell premises.	Ms. Martha Hinojosa-Nadler Executive Director-Real Estate Management One Bell Plaza, Rm. 3631 Dallas, TX 75202 (214) 464-7553
7. Administrative Services related to the Telephone Pioneers of America (Deleted June 1997)	

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<u>Description</u>	<u>Contract Administrator</u>
8. Provision of WATS call detail on magnetic tape for customer analysis.	<i>Mr. Tom Garvey Director-Product Management One Bell Center, 8-K-6 St. Louis, MO 63101 (314) 235-7327</i>
9. Conduit and pole contact leasing.	<i>Mr. Gary Campbell Area Manager-Engineering Design One Bell Center, 15-D-08 St. Louis, MO 63101 (314) 235-3330</i>
10. Provision of intellectual property rights developed for Southwestern Bell's use.	<i>Ms. Angela McAllister Contract Manager 1010 Pine, 10-E-21 St. Louis, MO 63102 (314) 235-8454</i>
11. Provision of software developed for Southwestern Bell's use.	<i>Ms. Angela McAllister Contract Manager 1010 Pine, 10-E-21 St. Louis, MO 63101 (314) 235-8454</i>
12. Sale of spare seats or course materials in training courses.	<i>Ms. Marlene Poser Process Specialist-Information Services Technical Education Center One Bell Center, 21-J-07 St. Louis, MO 63101 (314) 235-2318</i>
13. Use of existing force with available time to perform traditional telephone company work for others.	<i>Mr. Tim Bonno Manager-NSEP Operations 14780 Manchester Road, Basement Ballwin, MO 63011 (314) 247-5912</i>

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<u>Description</u>	<u>Contract Administrator</u>
14. Loan of personnel to other utility companies in an emergency situation.	Mr. Tim Bonno Manager-NSEP Operations 14780 Manchester Road, Basement Ballwin, MO 63011 (314) 247-5912
15. Licensing Space For Telephone Booth Advertising (Deleted June 1997)	

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**AFFILIATE BILLING**  
**CONTRACT ADMINISTRATOR GUIDE**

**BILLING FOR SERVICES PERFORMED BY SOUTHWESTERN BELL TELEPHONE  
FOR AFFILIATED COMPANIES**

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## **GENERAL**

Effective January 1, 1984, Southwestern Bell Telephone Company (SWBT) began offering services to its affiliated companies. These services are provided under contract and billing is rendered according to contract terms. Establishment of billing terms and ongoing billing responsibilities are as follows:

### **Manager-Affiliate Services (Contracts)**

1. Coordinates overall pricing, costing and data provision efforts related to each contract.
2. Determines price of new services.
3. Prepares contracts and arranges for legal review and authorization by appropriate organizations.
4. Provides the Manager-Affiliate Services (Billing) and Contract Administrators with signed contracts and notification of any changes that occur.
5. Handles customer contacts.

**Contract Administrator\***

1. Initiates Forms SW-2680,\*\* Affiliate Billing Data, for each contract (schedule and addendum). Sends these forms to the Manager-Affiliate Services (Billing) at the beginning of the contract period (no later than January 15 of the year in which the contract is to be effective) and as changes in the contract occur. This form must be received by the Manager-Affiliate Services (Billing) no later than the 1st workday of the month in which a new rate or revenue distribution is to be effective. For example, if billing is to appear on the June bill, Form(s) SW-2680 must be received by the Manager-Affiliate Services (Billing) by June 1.
2. Determines source(s) for all units data. Provides all the summarized data to the Manager-Affiliate Services (Billing) on Form SW-2681\*\*, Affiliate Billing Data - Monthly Units, and, if applicable, Form SW-2681T\*\*, Affiliate Billing Tax Data, by the 15th calendar day of the month in which units are to be billed. (Contact Manager-Affiliate Services (Billing) for a current Affiliate Billing schedule.)

**NOTE: \*** This position must be occupied by a management employee.

**\*\* Forms SW-2680, SW-2681, SW2681A and SW-2681T have a retention period of 10 years according to the September 1995 Operating Practice 47. Therefore, all backup documentation associated with these forms must also be retained.**

3. Evaluates the accuracy of units data and performs a reasonableness check of amounts to be billed for each billing period. This is done by reviewing the monthly data that is to be sent to the Manager-Affiliate Services (Billing) and copies of the bills (affiliate billing detail) when they are received.
4. Advises the Manager-Affiliate Services (Billing) in writing of early contract termination, renegotiation of terms, or changes in Contract Administrator prior to the 1st workday of the month in which billing (for the services) would normally occur.
5. Coordinates with the Manager-Affiliate Services (Billing) and the appropriate affiliate to resolve billing and payment problems.

**Manager-Affiliate Services (Billing)**

1. Analyzes and edits all forms.
2. Prepares and issues bills for each affiliate for which contract billing is applicable. Includes late payment charges, if applicable.
3. Prepares journalization for billed amounts.
4. Generates affiliate billing summaries and various related monthly reports.
5. Provides billing details to Contract Administrators via copies of Bills and Summary Reports.

**Area Manager-Affiliate Transactions**

1. Coordinates with Area Manager-Affiliate Services, Contract Administrators and the Manager-Affiliate Services (Billing) to develop methods and procedures for affiliate billing.



## BILLING INFORMATION

### Contract Information

The Contract Administrator is responsible for the preparation of Form SW-2680 which must be completed after receiving an approved and signed pricing addendum from Manager-Affiliate Services (Contracts). Instructions for completing this form and an exhibit of this form are in Sections III and IV. The completed Form SW-2680 and the pricing addendum should be forwarded to the Manager-Affiliate Service (Billing), One Bell Center, no later than the first workday of the month in which billing is to begin. One SW-2680 must be prepared for each contract schedule and addendum. Form SW-2680 must be prepared and submitted before Forms SW-2681 and SW-2681T can be processed. Instructions for completing forms SW-2681 & SW-2681T and exhibits of these forms are in Sections V and VI.

### Revenue Distribution

Billed amounts are journalized as revenue or income rather than a reduction in expense. The revenue or income is distributed in the same manner as the expense was incurred. For example, if all of a service is performed in one state, all the revenue or income is distributed back to that state. In addition, related revenue and income for GHQ expenses incurred while providing a service is prorated back to the states using the same percentages used for the expense prorate. Revenue and income are journalized in the state in which the expenses are journalized. Revenue and income are journalized to the State Location Code and the Responsibility Code of the appropriate Market Area Vice President(s).

The Contract Administrator must indicate the appropriate revenue or income distribution on Form SW-2680 for each schedule and addendum.

Affiliate Billing Revenues are journalized to the appropriate accounts listed below: (Accounts Manual 4/1/97)

**ACCOUNTS**

4010.2416	State Tax
4010.2915	Federal Tax
5230.112	White Page Directory-Non Reg.
5240.21	Rent Revenue-Land and Space in Buildings
5264.29W	Affiliate Billing Revenue (Non Mkt. Area)
5280.9913	Remittance Center Services-Non Reg.
5280.9914	Technical Personnel Services-Non Reg.
5280.991A	Affiliate Joint Marketing-Non Reg. (BSC)
5280.9925	Affiliate Joint Marketing-Non Reg. (RSC)
7360.1	Other Nonoperating Income-Misc. Income (Furniture Leasing/Lobbying Activities)

**Units Data**

The Contract Administrator must provide units data or nothing to report (NTR) on Form SW-2681 (on a positive basis.) to the Manager-Affiliate Services (Billing), One Bell Center, by the fifteenth calendar day of the month following that in which service was provided.

**Cancellation**

If it is necessary to cancel billing because of early termination of a contract schedule and/or addendum, the Contract Administrator must advise the Manager-Affiliate Services (Billing) in writing by the first workday of the month in which the last bill is to be rendered. (Fill out bottom portion of SW-2680 and mail to Manager-Affiliate Billing, OBC, 38-U-5.)

**Changes**

When changes are made in the contract terms that affect billing or when a contract is renewed, a new Form SW-2680 must be submitted to the Manager-Affiliate Services (Billing) by the first workday following the month in which the new addendum becomes effective. All changes to addenda must be approved and signed by representatives of SWBT and the affiliate for which the contract is applicable.

When the Contract Administrator's responsibilities are transferred (because of personnel changes, reorganization, etc.), the new or existing Contract Administrator must inform the Manager-Affiliate Services (Billing) in writing as soon as the transfer is effective. (Fill out bottom portion of SW-2680 and mail to Manager- Affiliate Billing, OBC, 38-U-5.) Forms signed by one other than the Contract Administrator on record will not be processed.

**Instruction for Preparation of Form SW-2680**

**AFFILIATE BILLING DATA**

- A) Enter the three-digit schedule and the three-digit addendum number, e.g., 017-004.
- B) Enter the schedule title, e.g., Official Communications Services.
- C) Enter the addendum title, e.g., Official Directory Services.
- D) Enter the date the prices on the attached pricing addendum are effective in the "from" date space (month services will begin) and the date through which the prices will be effective in the "to" space (normally 12/31 of the current year).  
Note: The date the price(s) are effective is not necessarily the date the pricing addendum is signed.
- E) Place an X on the line in front of each affiliate that will be affected by the attached addenda/addendum. Spaces have been provided for affiliates that may be added after the form is introduced. One Form SW-2680 may be prepared with several affiliates marked and the pricing addenda for each of the appropriate affiliates attached.
- F) Enter the percent of the billing to be distributed to each state and/or GHQ if the distribution is to be a fixed distribution, e.g., 11% Arkansas, 13% Kansas, 20% Missouri, 15% Oklahoma, 30% Texas, and 11% GHQ, or nothing to the states and 100% GHQ. If a percent is entered in the GHQ space,

the proper prorate type percentage must be entered, e.g., 100% A5, or 50% AS and 50% AY.\* A space has been provided for a prorate type different than those shown. If the billed amounts are to be distributed to the states only, as shown on the SW-2681, entries in this area are not necessary. Refer to Section IV, Pages 11 thru 15, for more detailed information.

- G) The Contract Administrator should enter the date, their title, telephone number, address and then sign on the signature line.
- H) Attach the pricing addendum/addenda to the completed Form SW-2680 and forward the data to the Manager-Affiliate Services (Billing), One Bell Center, 38-U-5.
- The Prorate Type is determined by identifying the Job Function Code of the person performing the service, then locating the correct Main Account associated with this Function Code. (These codes can be found in the SATRN -- Account and Expenditure Dimension Guide.) After Main Account is determined, locate the appropriate Prorate Type Table (Section IV, Page 15) and match the proper Prorate Type applicable to the Main Account.
- A copy of the current pricing addenda/addendum must be attached to the completed SW2680. Forward to the Manager-Affiliate Services (Billing), One Bell Center, 38-U-5.



## AFFILIATE BILLING DATA

Retain 10 Years, until \_\_\_\_\_

NOTE: Attach copy of the current signed contract and pricing addendum.

SCHEDULE AND ADDENDUM NUMBER \_\_\_\_\_ A \_\_\_\_\_

SCHEDULE TITLE \_\_\_\_\_ B \_\_\_\_\_

ADDENDUM TITLE \_\_\_\_\_ C \_\_\_\_\_

CONTRACT PERIOD FROM \_\_\_\_\_ D TO \_\_\_\_\_  
(MONTH SERVICES WILL BEGIN)

- E AFFILIATE TO BE BILLED
- \_\_\_\_\_ (150) BELL COMMUNICATIONS RESEARCH, INC. (BCR)
  - \_\_\_\_\_ (200) SBC ASSET MANAGEMENT, INC. (AMI)
  - \_\_\_\_\_ (250) SBC CENTER FOR LEARNING (CFL)
  - \_\_\_\_\_ (300) SB COMMUNICATIONS SERVICES, INC. (SBCS)
  - \_\_\_\_\_ (325) SB INTERNET SERVICES, INC. (SBIS)
  - \_\_\_\_\_ (400) SOUTHWESTERN BELL TECHNOLOGY RESOURCES, INC. (TRI)
  - \_\_\_\_\_ (455) SB ADVANCED SERVICES, INC. (ASI)
  - \_\_\_\_\_ (500) SBC MANAGEMENT SERVICES, INC. (MSI)
  - \_\_\_\_\_ (525) SBC MANAGEMENT SERVICES, INC. - USA. (MSUSA)
  - \_\_\_\_\_ (575) SBC MEDIA VENTURES, INC. (SBMV)
  - \_\_\_\_\_ (600) SBC SERVICES, INC. (SBS)
  - \_\_\_\_\_ (655) SOUTHWESTERN BELL MESSAGING SERVICES, INC. (SMBI)
  - \_\_\_\_\_ (660) SBC INTERNATIONAL, INC. (SBCI)
  - \_\_\_\_\_ (700) SOUTHWESTERN BELL MOBILE SYSTEMS, INC. (SBMS) (OUT REGION)
  - \_\_\_\_\_ (710) SB WIRELESS, INC. (SBW) (IN REGION)
  - \_\_\_\_\_ (725) SB COMMUNICATIONS, INC. (SBWC)
  - \_\_\_\_\_ (775) SOUTHWESTERN BELL VIDEO SERVICES, INC. (VID)
  - \_\_\_\_\_ (800) SOUTHWESTERN BELL YELLOW PAGES, INC. (SBYP)
  - \_\_\_\_\_ (900) SOUTHWESTERN BELL TELECOMMUNICATIONS, INC. (SWT)

F DISTRIBUTION OF INCOME AND REVENUE:  
GHQ

Enter percentages for Fixed Distribution to One or More States or One or More States and GHQ or GHQ Only:

Arkansas \_\_\_\_\_ % Kansas \_\_\_\_\_ % Missouri \_\_\_\_\_ % Oklahoma \_\_\_\_\_ % Texas \_\_\_\_\_ % GHQ \_\_\_\_\_ %

Enter GHQ Prorate Percentage(s) AS \_\_\_\_\_ %

AS \_\_\_\_\_ %

AY \_\_\_\_\_ %

\_\_\_\_\_ %

\_\_\_\_\_ %

G APPROVED BY (SIGNATURE): \_\_\_\_\_ DATE \_\_\_\_\_  
CONTRACT ADMINISTRATOR

TITLE \_\_\_\_\_ TELEPHONE NUMBER \_\_\_\_\_

ADDRESS \_\_\_\_\_

☐ CONTRACT ADMINISTRATOR CHANGE NAME \_\_\_\_\_ DATE EFFECTIVE \_\_\_\_\_

TITLE \_\_\_\_\_ PHONE NUMBER \_\_\_\_\_

ADDRESS \_\_\_\_\_

THE SCHEDULE AND ADDENDUM LISTED ABOVE:

• ☐ WILL NOT BE RENEWED IN \_\_\_\_\_ (YEAR)

• ☐ IS CANCELLED - EFFECTIVE DATE \_\_\_\_\_

• EXPLANATION ATTACHED

\_\_\_\_\_  
SIGNATURE & TITLE

FOR INTERNAL USE ONLY

☐ Official File Copy, if Checked in Red

## REVENUE AND INCOME DISTRIBUTION

### State or GHQ

Revenue and income generated from services provided by a state are journalized in the state in which the corresponding expense was journalized. Revenue and income generated for GHQ are also prorated back to the states in the same manner in which the expense was prorated.

### Data Provision

The Contract Administrator must review each contract schedule and addendum and determine the correct and appropriate revenue distribution. This information must be provided to the Manager-Affiliate Services (Billing), One Bell Center, 38-U-5, on Form SW-2680 for use in journalizing billed amounts.

The Contract Administrator must categorize each contract schedule and addendum by the section(s) providing the service and determine which of the following situations applies to each service:

#### Situation 1) One state

If the work is performed in one state, or the expenses are to be absorbed by one state, then the units must be reported in the same manner. All revenue generated goes back to that state. Revenue distribution is not necessary.

**Situation 2) More than one state**

If the work is performed in more than one state, or the expenses are to be absorbed by more than one state, then the units must be reported in the same manner.

- a) Flat Rate per billing period - percent to journalize in each state must be determined. Revenue and income distribution is necessary. Complete the revenue and income distribution\* part of the Form SW-2680.
- b) Flat Rate per unit - revenue that goes to each state can be determined by the price per unit and the number of units provided by each state. Revenue and income distribution is not necessary. Do not complete the revenue and income distribution part of the Form SW-2680.

**Situation 3) GHQ only**

If the work is performed in GHQ, or if the expenses are to be absorbed by GHQ, then the units must be reported in the same manner. All revenue and income must be properly prorated back to the states. The GHQ prorate type and the percent of revenue and income to be prorated using each prorate type must be determined for revenue and income distribution. \* Complete the appropriate revenue and income distribution part of the Form SW-2680.

- \* A copy of the study or logic that establishes the revenue distribution must be attached to the SW-2680.



**Situation 4) States(s) and GHQ**

If the work is performed in GHQ and one or more states, or if the expenses are to be absorbed by GHQ and one or more states, then the units must be reported in the same manner.

a) **Separate Prices (flat rate per unit or billing period) - revenue or income can be separately identified because prices are separately identified on the contract schedule and addendum; the states(s) and GHQ receive their appropriate revenue and income. Only the GHQ prorate type and the percent of revenue and income to be prorated must be determined for revenue and income distribution. \* Complete the revenue and income distribution part of the Form SW-2680.**

b) **One Price**

1) **Units data individually identified.**

- **A copy of the study or logic that establishes the revenue distribution must be attached to the SW-2680.**